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ALVORD AND ALVORD  
ATTORNEYS AT LAW  
1050 SEVENTEENTH STREET, N.W.

SUITE 301  
WASHINGTON, D.C.

20036

(202) 393-2266

FAX (202) 393-2156

E-MAIL: alvordlaw@aol.com

**SURFACE TRANSPORTATION BOARD**

ELIAS C. ALVORD (1942)  
ELLSWORTH C. ALVORD (1964)

September 29, 2010

Chief  
Section of Administration  
Office of Proceedings  
Surface Transportation Board  
395 E Street, S.W.  
Washington, D.C. 20423

Re: GATC Trust 85-2

Dear Section Chief,

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of an Amendment No. 1 to Equipment Lease and First Lease Renewal, dated as of November 9, 2005, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Equipment Lease (GATC Trust 85-2) and related documents previously filed with the Commission under Recordation Number 14823.

The names and addresses of the parties to the enclosed document are:

Lessor: ATEL Capital Equipment Fund VII, L.P.  
c/o ATEL Leasing Corporation  
235 Pine Street  
San Francisco, CA 94104

Lessee: GATX Financial Corporation  
500 West Monroe Street  
Chicago, IL 60661

Anne K. Quinlan, Esquire  
August 14, 2009  
Page 2

A description of the railroad equipment covered by the enclosed document is:

205 railcars within the series GATX 17868 - GATX 76765 and GACX 56350 - GACX 56405 as more particularly set forth in the attachment to the document.

A short summary of the document to appear in the index is:

Amendment No. 1 to Equipment Lease and First Lease Renewal.

Also enclosed is a check in the amount of \$41.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read "Alvord", with a long horizontal flourish extending to the right.

Robert W. Alvord

RWA/sem  
Enclosures

SEP 29 '10 -4 00 PM

SURFACE TRANSPORTATION BOARD

**AMENDMENT NO. 1 TO EQUIPMENT LEASE  
AND FIRST LEASE RENEWAL**

This Amendment No. 1 to Equipment Lease and First Lease Renewal ("First Renewal Agreement") is entered into as of November 9, 2005 between GATX Financial Corporation ("GATX") and ATEL Capital Equipment Fund VII, L.P. ("ATEL").

**RECITALS**

GATX, as successor to General American Transportation Corporation, and ATEL as successor to The Bank of New York, are parties as Lessee and Lessor respectively, to that certain Equipment Lease dated as of October 25, 1985 (ICC Recordation No. 14823) as amended and supplemented by Lease Supplement No. 1 dated as of December 19, 1985 (ICC Recordation No. 14823-A), Lease Supplement No. 2 dated as of June 15, 1986 (ICC Recordation No. 14823-B), and by Lease Supplement No. 3 dated as of June 15, 1987 (ICC Recordation No. 14823-C) (the Equipment Lease and Lease Supplements Nos. 1, 2 and 3 are together, the "Lease"). Pursuant to Section 18.2 of the Lease, GATX has elected to renew the Lease for an additional five-year (5) period (the "First Renewal Term") and the parties wish to set the terms applicable to such First Renewal Term.

NOW THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, ATEL and GATX agree as follows:

1. All capitalized terms used but not defined herein shall have the meaning given to them in the Lease.
2. The Items of Equipment, described in Schedule A which is attached hereto and incorporated by reference herein, which are subject to this First Renewal Agreement, are the "Items of Equipment" as that term and its synonyms are defined and used in the Lease.
3. The First Renewal Term shall commence on January 2, 2006 and shall continue for a 60 (sixty) month period ending January 1, 2011.
4. Notwithstanding anything to the contrary in the Lease, the Fixed Rental for the First Renewal Term shall be 50% (fifty percent) of the average of the semi-annual Fixed Rental for each Item of Equipment during the 20 year period following the Term Lease Commencement Date, or 2.15394459% of the Purchase Price thereof as set forth on Schedule A, payable semi-annually in advance, on each July 1 and January 1 with the final installment due on July 1, 2010.
5. The Casualty Value of each of the Items of Equipment during the First Renewal Term shall be as set forth in Section 18.2(e) of the Lease which shall

be an amount equal to the higher of the Fair Market Value of such Item of Equipment as of the beginning of such First Renewal Term, or 20% of the Purchase Price of such Item of Equipment.

6. Lessee shall file a Memorandum of Lease Renewal with both the Surface Transportation Board and Registrar General of Canada. Lessee agrees to pay any expenses related to such filings.
7. Section 18.2 of the Lease is hereby amended, by addition of new subsection (g) which shall be effective upon commencement of the First Renewal Term and states as follows:

“(g) During the First Renewal Term, Lessee shall have the right, subject to Lessor’s prior written consent, which shall not be unreasonably withheld with respect to up to thirty-five percent (35%) of the total Items of Equipment to substitute for any Item of Equipment, a replacement Item which Lessee represents and warrants shall be of the same car type, age, capacity, condition, and having the same value and utility, as the Item or Items of Equipment so replaced (each a “Substituted Item”) and to return any such Substituted Item in lieu of the Item of Equipment it replaced at the end of the First Renewal Term in accordance with the terms of Section 13 of the Lease.

- A. With respect to any Substituted Item, immediately upon such substitution as permitted by Lessor, Lessee, at its own expense, will furnish the Lessor with the following documents with respect to each such Substituted Item, which documents shall have been duly authorized, executed and delivered by the respective parties thereto and shall be in full force and effect at the time of such substitution:
  - i. a Bill of Sale for each Substituted Item from the Lessee to the Lessor substantially in the form of Exhibit A attached hereto and incorporated by reference herein;
  - ii. an amendment to the Lease in form and substance satisfactory to Lessor, deleting reference to any replaced Item of Equipment and including such Substituted Item or Items, duly executed by the Lessee and Lessor, and filed, or a memorandum with respect thereto filed, by and at Lessee’s expense, with the Surface Transportation Board and Registrar General of Canada;
  - iii. such evidence of compliance with the insurance provisions of Section 11.1 hereof with respect to such Substituted Item or Items as Lessor may reasonably request;

- iv. searches by and at Lessee's expense, of the records of the Surface Transportation Board and Registrar General of Canada reflecting that any Substituted Item is free and clear of liens, claims and encumbrances; and
  - iv. such other documents and evidence as the Lessor or its counsel, may reasonably request in order to establish the consummation of the transactions contemplated by this Section 18.2.
- B. Lessee hereby agrees to pay any transfer or other tax related to replacement of any Item of Equipment with a Substituted Item and conveyance to Lessor of such Substituted Item, and hereby further indemnifies the Lessor, in accordance with Section 10.2 hereof and the Tax Indemnity Agreement, for any adverse tax consequences that result from any such replacement of an Item of Equipment with a Substituted Item and conveyance of such Substituted Item to Lessor.
- C. If Lessee does not renew the Lease at the end of The First Renewal Term, then on the date that Lessee is obligated to return the Items of Equipment to Lessor in accordance with the provisions of Section 13 of the Lease, in lieu of the return of such Items of Equipment to Lessor, Lessee shall deliver to Lessor the Substituted Items in the condition required by Section 13.
- D. In the case of Section A above, coincident with the delivery to Lessor of a Bill of Sale for the Substituted Items, Lessor shall deliver to Lessee a limited warranty Bill of Sale warranting only title free and clear of liens, claims, demands, security interests, charges or encumbrances arising by, through or under Lessor, for the original Items of Equipment which were replaced by Substituted Items along with such other documents as the Lessee, or its counsel, shall reasonably request. Lessee hereby agrees to pay any transfer or other tax related to replacement of any Item of Equipment with a Substituted Item and conveyance by Lessor to Lessee of such original Item of Equipment; and hereby further indemnifies the Lessor, in accordance with Section 10.2 hereof and the Tax Indemnity Agreement, for any adverse tax consequences that result from any such replacement of an Item of Equipment with a Substituted Item and conveyance of such original Item of Equipment by Lessor to Lessee.
- E. Lessor and Lessee shall cooperate in order to ensure that the transaction is, to the extent possible, exempt from any transfer or sales taxes with respect to the (i) sale of any Substituted Item by Lessee to Lessor, and (ii) the sale of any Item of Equipment by Lessor to Lessee, as contemplated

by this Agreement, and the closing of any sales contemplated in (i) and (ii) above, may take place when any such Item of Equipment and Substituted Item are in a jurisdiction which by law provides exemptions from sales and/or transfer tax for rolling stock. "

8. Notwithstanding anything to the contrary in the Lease, at the end of the First Renewal Term, Lessee shall have the option with respect to any or all Items of Equipment:

- A. to renew this Lease for a second renewal term of minimum one (1) year or a multiple thereof subject to the provisions of Section 18.2 of the Lease, or
- B. to purchase such Item of Equipment subject to the provisions of Section 18.1 of the Lease.

If Lessee fails to exercise either of the foregoing options with respect to any Item of Equipment, Lessee shall return such Item of Equipment to Lessor in accordance with the terms of Section 13 of the Lease.

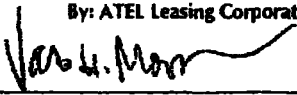
9. Except as modified herein, all of the terms and conditions of the Lease shall remain in full force and effect. This First Renewal Agreement may be executed in counterparts.

10. This First Renewal Agreement shall be governed by the laws of the State of Illinois.

IN WITNESS WHEREOF, the parties hereto have executed this First Renewal Agreement as of the date first above written.

**ATEL Capital Equipment Fund VII, L.P.**

By: ATEL Financial Services, LLC, its General Partner  
By: ATEL Leasing Corporation, its Manager

By: 

Title: Vasco H. Moreis  
Senior Vice President

**GATX Financial Corporation**

By:  Clifford J. Poppenheim

Title: SUP Fleet Manager

11/15/05

ATEL LEGAL DEPARTMENT  
APPROVED  
AS TO FORM


BY: 

Exhibit A  
Form of Bill of Sale  
**BILL OF SALE**

KNOW ALL MEN BY THESE PRESENTS THAT:

GATX FINANCIAL CORPORATION, ("Seller") for good and valuable consideration, receipt whereof is hereby acknowledged, does hereby grant, sell and assign to ATEL CAPITAL EQUIPMENT FUND VII, LP ("Buyer"), all rights, title and interest that it now holds to that certain equipment as more particularly described in Exhibit "A" attached hereto and made a part hereof (the "Equipment").

Seller hereby warrants to the Buyer, its successors and assigns, that it is the lawful owner of the Equipment and hereby transfers to Buyer good and marketable title to the Equipment, free and clear of all liens, claims, and encumbrances.

EXCEPT AS EXPRESSLY SET FORTH HEREIN AND IN THAT CERTAIN AMENDMENT NO. 1 TO EQUIPMENT LEASE AND FIRST LEASE RENEWAL ENTERED INTO AS OF NOVEMBER 9, 2005 BETWEEN GATX FINANCIAL CORPORATION AS LESSEE AND ATEL CAPITAL EQUIPMENT FUND VII, L.P., AS LESSOR, THERE ARE NO WARRANTIES OR REPRESENTATIONS OF ANY KIND OR NATURE, EXPRESS OR IMPLIED, CONCERNING THE EQUIPMENT, ITS CONDITION, ITS FITNESS FOR A PARTICULAR PURPOSE, ITS MERCHANTABILITY, OR WITH RESPECT TO PATENT INFRINGEMENT OR THE LIKE.

Seller shall be responsible for and defend, indemnify and hold Buyer harmless for any and all taxes, whether Federal, State or local resulting from this conveyance, excluding Buyer's income taxes.

IN WITNESS WHEREOF, the Seller and Buyer have caused this instrument to be executed by their duly authorized officers, this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

SELLER:

GATX FINANCIAL CORPORATION

By: \_\_\_\_\_

Title: \_\_\_\_\_

BUYER:

ATEL Capital Equipment Fund VII, L.P.

By: ATEL Financial Services, LLC, its General Partner

By: ATEL Leasing Corporation, its Manager

By: \_\_\_\_\_

Title: \_\_\_\_\_

EXHIBIT A TO BILL OF SALE  
[ADD SUBSTITUTE EQUIPMENT DESCRIPTION]



**SCHEDULE A TO  
AMENDMENT NO. 1 TO EQUIPMENT LEASE AND FIRST LEASE RENEWAL**

<b>Identifying Marks and Numbers</b>	<b>Number of Cars</b>	<b>Description</b>
<b>I. TANK CARS</b>		
GATX 73745-73756	12	DOT 111A60ALW-2 20,000 Gallon Aluminum Hydrogen Peroxide
GATX 21857, 21863- 21865, 21870-21878	13	DOT 211A100-W-1 14,150 Gallon Plasite Lining, Titanium Dioxide
GATX 73757-76765, 73768	10	DOT 111A60ALW-2 20,000 Gallon Hydrogen Peroxide
GATX 21879, 21882- 21886	6	DOT 111A100-W-1 14,150 Gallon Plasite Lining Kaolin Slurry
GATX 21887-21892, 21894	7	DOT 111A100-W-1 14,150 Gallon Clay Slurry
GATX 21895-21896	2	DOT 111A100-W-1 14,150 Gallon Hexdiene
GATX 17868-17898	31	DOT 111A100-W-1 25,800 Gallon Lube Oil
GATX 61051-61064, 61066- 61069, 61071-61079, 61081-61087, 61089- 61091, 61093-61110	55	DOT 111A100-W-5 20,000 Gallon Uniroyal Lining Hydrochloric Acid
GATX 52855-52865, 52867-52874	19	DOT 111A100-W-1 13,450 Gallon Phosphoric Acid
<b>TOTAL TANK CARS</b>	<b>155</b>	

**SCHEDULE A TO  
AMENDMENT NO. 1 TO EQUIPMENT LEASE AND FIRST LEASE RENEWAL**

Identifying Marks and Numbers	Number of Cars	Description
<b>II. COVERED HOPPERS</b>		
GACX 56350-56358	9	LO. Airslide 4,566 Cu. Ft., Starch
GACX 56359-56380	22	LO. Airslide 4,566 Cu. Ft., Flour
GACX 56393-56394	2	LO. Airslide 4,900 Cu. Ft., Corn Starch
GACX 56386-56390	5	LO. Airslide 4,900 Cu. Ft., Corn Starch
GACX 56396-56400	4	LO. Airslide 4,900 Cu. Ft. Corn Starch
GACX 56391-56392, 56395, 56401	4	LO. Airslide 4,900 Cu. Ft., Flour
GACX 56402-56405	4	LO. Airslide 4,900 Cu. Ft., Flour
<b>TOTAL HOPPER CARS</b>	<b><u>50</u></b>	
<b>TOTAL RAILCARS</b>	<b><u>205</u></b>	

**CERTIFICATION**

I, Robert W. Alvord, attorney licensed to practice in the State of New York and the District of Columbia, do hereby certify under penalty of perjury that I have compared the attached copy with the original thereof and have found the copy to be complete and identical in all respects to the original document.

Dated: \_\_\_\_\_

9/29/10



\_\_\_\_\_  
Robert W. Alvord